

YEAR

2006

California Exempt Organization Business Income Tax Return

FORM

109

For calendar year 2006 or fiscal year beginning month _____ day _____ year _____, and ending month _____ day _____ year _____.

California corporation or organization number

FEIN

Corporation/organization name

Address including Suite, Room, or PMB no.

City

State

ZIP Code

A Is this an education IRA within the meaning of R&TC Section 23712? ☐ Yes ☐ No**B** Is the organization currently under audit? ☐ Yes ☐ No**C** Final return? ☐ Dissolved ☐ Surrendered (Withdrawn)
☐ Merged/Reorganized

If a box is checked, enter effective date ● _____

D Nature of trade or business _____**E** Accounting method used _____**F** Is this organization a non-exempt charitable trust as described in IRC Section 4947(a)(1)? ☐ Yes ☐ No**G** Is this organization claiming any enterprise zone, Los Angeles Revitalization Zone (LARZ), Local Agency Military Base Recovery Area (LAMBRA), Targeted Tax Area (TTA), or Manufacturing Enhancement Area (MEA) tax benefits? ☐ Yes ☐ No**H** Unrelated Business Activity (UBA) Code ● _____

Organizations Taxable as Corporations Attach Check or Money Order	1	Unrelated business taxable income from Side 2, Part II, line 30	●	1		
	2	Multiply line 1 by the average apportionment percentage _____% from the Schedule R, Apportionment Formula Worksheet, line 6. See instructions	●	2		
	3	Enterprise zone, LAMBRA, LARZ, TTA, or Pierce's disease losses	●	3		
	4	Net Operating Loss deduction from form FTB 3805Q. See General Information N.	●	4		
	5	Add line 3 and line 4.	●	5		
	6	Net unrelated business taxable income. Subtract line 5 from the lesser of line 1 or line 2.	●	6		
	7	Tax. _____% x line 6. See General Information J.	●	7		
	8	Tax credits from Schedule B, line 7, or Schedule P (100). See Schedule B instructions	●	8		
	9	Balance. Subtract line 8 from line 7. If line 8 is greater than line 7, enter -0-	●	9		
Organizations Taxable as Trusts Tax Computation	10	Unrelated business taxable income from Side 2, Part II, line 30	●	10		
	11	Enterprise zone, LAMBRA, LARZ, TTA, or Pierce's disease losses	●	11		
	12	Net Operating Loss deduction from form FTB 3805V. See General Information N.	●	12		
	13	Add line 11 and line 12.	●	13		
	14	Net unrelated business taxable income. Subtract line 13 from line 10.	●	14		
	15	Tax on amount on line 14. See General Information J.	●	15		
	16	Tax credits from Schedule B, line 7, or Schedule P (541). See Schedule B instructions	●	16		
	17	Balance. Subtract line 16 from line 15. If line 16 is greater than line 15, enter -0-	●	17		
Total Tax	18	Tax from line 9 or line 17	■	18		
	19	Alternative minimum tax. See General Information O.	■	19		
	20	Total tax. Add line 18 and line 19	■	20		
Payments	21	Overpayment from a prior year allowed as a credit	■	21		
	22	2006 estimated tax payments and taxes withheld	■	22		
	23	Amount paid with automatic extension (FTB 3539)	■	23		
	24	Total payments and credits. Add line 21 through line 23	■	24		
Refund (Direct Deposit of Refund) or Amount Due	25	Tax due. Subtract line 24 from line 20. Pay entire amount with return. See instructions	■	25		
	26	Overpayment. Subtract line 20 from line 24. See instructions	■	26		
	27	Enter amount of line 26 to be applied to 2007 estimate tax	■	27		
	28	Use tax. See instructions	●	28		00
	29	Refund. If the sum of line 27 and line 28 is less than line 26, then subtract the total from line 26	■	29		
	a	Fill in the account information to have the refund directly deposited. Routing number	●	29a		
	b	Type: Checking <input type="checkbox"/> Savings <input type="checkbox"/> c Account Number	●	29c		
	30	Penalties and interest. See General Information M.	■	30		
	31	<input type="checkbox"/> Check if estimate penalty computed using Exception B or C and attach form FTB 5806.				
	32	Total amount due. Add line 25, line 27, line 28, and line 30, then subtract line 26 from the result.		32		

Person to contact for additional information:

Telephone ()

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.		● ()	
	Signature of officer	Date	Title	Daytime telephone
Paid Preparer's Use Only	Paid Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Paid Preparer's SSN/PTIN
	Firm's name (or yours, if self-employed) and address		FEIN	
	Daytime telephone ● ()			

Unrelated Business Taxable Income**Part I Unrelated Trade or Business Income**

1	a	Gross receipts or gross sales	b	Less returns and allowances	Balance	1c		
2		Cost of goods sold and/or operations from Schedule A, line 7				2		
3		Gross profit. Subtract line 2 from line 1c				3		
4	a	Capital gain net income. See Specific Line Instructions – Trusts attach Schedule D (541)				4a		
	b	Net gain (loss) from Part II, Schedule D-1				4b		
	c	Capital loss deduction for trusts				4c		
5		Income (or loss) from partnerships, limited liability companies, or S corporations. See specific line instructions. Attach Schedule K-1 (565, 568, or 100S) or similar schedule				5		
6		Rental income from Schedule C				6		
7		Unrelated debt-financed income from Schedule D				7		
8		Investment income of an R&TC Section 23701g, 23701i, or 23701n organization from Schedule E				8		
9		Annuities, interest, rents, and royalties of controlled organizations from Schedule F				9		
10		Exploited exempt activity income from Schedule G				10		
11		Advertising income from Schedule H, Part III, Column A				11		
12		Other income. Attach schedule				12		
13		Total unrelated trade or business income. Add line 3 through line 12				13		

Part II Deductions Not Taken Elsewhere (Except for contributions, deductions must be directly connected with the unrelated business income.)

14		Compensation of officers, directors, and trustees from Schedule I	14		
15		Salaries and wages	15		
16		Repairs	16		
17		Bad debts	17		
18		Interest. Attach schedule	18		
19		Taxes. Attach schedule	19		
20		Contributions. See instructions and attach schedule	20		
21	a	Depreciation (Corporations and Associations – Schedule J) (Trusts – form FTB 3885F)	21a		
	b	Less: depreciation claimed on Schedule A	21b		
22		Depletion. Attach schedule	22		
23	a	Contributions to deferred compensation plans	23a		
	b	Employee benefit programs. See instructions	23b		
24		Other deductions. Attach schedule	24		
25		Total deductions. Add line 14 through line 24	25		
26		Unrelated business taxable income before allowable excess advertising costs. Subtract line 25 from line 13	26		
27		Excess advertising costs from Schedule H, Part III, Column B	27		
28		Unrelated business taxable income before specific deduction. Subtract line 27 from line 26	28		
29		Specific deduction. See instructions	29		
30		Unrelated business taxable income. Subtract line 29 from line 28. If line 28 is a loss, enter line 28	30		

Schedule A Cost of Goods Sold and/or Operations Method of inventory valuation (specify)

1		Inventory at beginning of year	1		
2		Purchases	2		
3		Cost of labor	3		
4	a	Additional IRC Section 263A costs. Attach schedule	4a		
	b	Other costs. Attach schedule	4b		
5		Total. Add line 1 through line 4b	5		
6		Inventory at end of year	6		
7		Cost of goods sold and/or operations. Subtract line 6 from line 5. Enter here and on Part I, line 2	7		

Do the rules of IRC Section 263A (with respect to property produced or acquired for resale) apply to this organization? ☐ Yes ☐ No**Schedule B Tax Credits** Do not complete if you must file Schedule P (100 or 541).

1	Enter credit name	code no.	1		
2	Enter credit name	code no.	2		
3	Enter credit name	code no.	3		
4	Enter credit name	code no.	4		
5	Enter credit name	code no.	5		
6	Enter credit name	code no.	6		
7	Total. Add line 1 through line 6. Enter here and on Side 1, line 8, for corporations and associations, or line 16 for trusts		7		

Schedule C Rental Income from Real Property and Personal Property Leased with Real Property**Note:** For rental income from debt-financed property, use Schedule D, R&TC Section 23701g, Section 23701i, and Section 23701n organizations. See instructions for exceptions.

1 Description of property	2 Rent received or accrued	3 Percentage of rent attributable to personal property
		%
		%
		%

4 Complete if any item in column 3 is more than 50%, or for any item if the rent is determined on the basis of profit or income		5 Complete if any item in column 3 is more than 10%, but not more than 50%		
(a) Deductions directly connected (attach schedule)	(b) Income includible, column 2 less column 4(a)	(a) Gross income reportable, column 2 x column 3	(b) Deductions directly connected with personal property (attach schedule)	(c) Net income includible, column 5(a) less column 5(b)

Add columns 4(b) and 5(c). Enter here and on Side 2, Part I, line 6.

Schedule D Unrelated Debt-Financed Income

1 Description of debt-financed property	2 Gross income from or allocable to debt-financed property	3 Deductions directly connected with or allocable to debt-financed property		4 Amount of average acquisition indebtedness on or allocable to debt-financed property (attach schedule)	5 Average adjusted basis of or allocable to debt-financed property (attach schedule)	6 Debt basis percentage, column 4 ÷ column 5	7 Gross income reportable, column 2 x column 6	8 Allocable deductions, total of columns 3(a) and 3(b) x column 6	9 Net income (or loss) includible, column 7 less column 8
		(a) Straight-line depreciation (attach schedule)	(b) Other deductions (attach schedule)			%			
						%			
						%			

Total. Enter here and on Side 2, Part I, line 7.

Schedule E Investment Income of an R&TC Section 23701g, Section 23701i, or Section 23701n Organization

1 Description	2 Amount	3 Deductions directly connected (attach schedule)	4 Net investment income, column 2 less column 3	5 Set-asides (attach schedule)	6 Balance of investment income, column 4 less column 5

Total. Enter here and on Side 2, Part I, line 8.

Enter gross income from members (dues, fees, charges, or similar amounts).

Schedule F Income (Annuities, Interest, Rents, and Royalties) From Controlled Organizations

1 Name and address of controlled organizations		2 Gross income from controlled organizations	3 Deductions directly connected with column 2 income (attach schedule)	4 Exempt controlled organizations		
				(a) Unrelated business taxable income	(b) Taxable income computed as though not exempt under Section 23701, or the amount in column (a), whichever is greater	(c) Percentage, column (a) ÷ column (b)
						%
						%
						%

5 Nonexempt controlled organizations			6 Gross income reportable, column 2 x column 4(c) or column 5(c)	7 Allowable deductions, column 3 x column 4(c) or column 5(c)	8 Net income includible, column 6 less column 7
(a) Excess taxable income	(b) Taxable income or amount in column (a), whichever is greater	(c) Percentage, col. (a) ÷ (b)			
		%			
		%			
		%			

Total. Enter here and on Side 2, Part I, line 9.

Schedule G Exploited Exempt Activity Income, other than Advertising Income

1 Description of exploited activity (attach schedule if more than one unrelated activity is exploiting the same exempt activity)	2 Gross unrelated business income from trade or business	3 Expenses directly connected with production of unrelated business income	4 Net income from unrelated trade or business, column 2 less column 3	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7 Excess exempt expense, column 6 less column 5 but not more than column 4	8 Net income includible, column 4 less column 7 but not less than zero

Total. Enter here and on Side 2, Part I, line 10.

Schedule H Advertising Income and Excess Advertising Costs**Part I Income from Periodicals Reported on a Consolidated Basis**

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising income or excess advertising costs. If column 2 is greater than column 3, complete columns 5, 6, and 7. If column 3 is greater than column 2, enter the excess in Part III, column B(b). Do not complete columns 5, 6, and 7.	5 Circulation income	6 Readership costs	7 If column 5 is greater than column 6, enter the income shown in column 4, in Part III, column A(b). If column 6 is greater than column 5, subtract the sum of column 6 and column 3 from the sum of column 5 and column 2. Enter amount in Part III, column A(b). If the amount is less than zero, enter -0-.
Totals						

Part II Income from Periodicals Reported on a Separate Basis

Part III Column A – Net Advertising Income

(a) Enter "consolidated periodical" and/or names of non-consolidated periodicals

(b) Enter total amount from Part I, column 4 or 7, and amounts listed in Part II, cols. 4 and 7

Enter total here and on Side 2, Part I, line 11

Part III Column B – Excess Advertising Costs

(a) Enter "consolidated periodical" and/or names of non-consolidated periodicals

(b) Enter total amount from Part I, column 4, and amounts listed in Part II, column 4

Enter total here and on Side 2, Part II, line 27

Schedule I Compensation of Officers, Directors, and Trustees

1 Name of Officer	2 SSN or ITIN	3 Title	4 Percent of time devoted to business	5 Compensation attributable to unrelated business	6 Expense account allowances
			%		
			%		
			%		
			%		
			%		
Total. Enter here and on Side 2, Part II, line 14.					

Schedule J Depreciation (Corporations and Associations only. Trusts use form FTB 3885F.)

1 Group and guideline class or description of property	2 Date acquired	3 Cost or other basis	4 Depreciation allowed or allowable in prior years	5 Method of computing depreciation	6 Life or rate	7 Depreciation for this year
1 Total additional first-year depreciation (do not include in items below)						
2 Other depreciation:						
Buildings						
Furniture and fixtures						
Transportation equipment						
Machinery and other equipment. . .						
Other (specify)						
3 Other depreciation						
4 Total						
5 Amount of depreciation claimed elsewhere on return						
6 Balance. Subtract line 5 from line 4. Enter here and on Side 2, Part II, line 21a.						

Schedule K Add-On Taxes or Recapture of Tax. See instructions.

1	Interest computation under the look-back method for completed long-term contracts. Attach form FTB 3834.	•	1		
2	Interest on tax attributable to installment: a Sales of certain timeshares or residential lots.	•	2a		
	b Method for non-dealer installment obligations	•	2b		
3	IRC Section 197(f)(9)(B)(ii) election to recognize gain on the disposition of intangibles.	•	3		
4	Credit recapture. Credit name _____	•	4		
5	Total. Combine the amounts on line 1 through line 4. See instructions	•	5		

Schedule R Apportionment Formula Worksheet

Use only for unrelated trade or business amounts

	(a) Total within and outside California	(b) Total within California	(c) Percent within California (b) ÷ (a)
1 Property factor: See instructions			
2 Payroll factor: Wages and other compensation of employees			
3 Sales factor: Gross sales and/or receipts less returns and allowances			
4 Multiply the factor on line 3, column (c) by 2.			
5 Total percentage: Add the percentages in column (c) line 1, line 2, and line 4			
6 Average apportionment percentage: Divide the factor on line 5 by 4 and enter the result here and on Form 109, Side 1, line 2. See instructions for exceptions.			